



Department of Justice

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Peanut Growers Repay USDA Crop Insurance Payments

DALLAS — Twenty-eight peanut growers in West Texas have agreed to pay the U.S. more than \$631,627 to resolve allegations that each was overpaid under crop policies insured by the Risk Management Agency (RMA) of the Department of Agriculture, announced U.S. Attorney Richard B. Roper of the Northern District of Texas. The U.S. contends that each peanut grower was overpaid when it submitted claims under their insurance policy even for the failed year 2000 peanut crop. By settling such allegations, each grower did not admit any wrong-doing and denied all liability.

Each peanut grower participated in a program administered by the RMA which indemnifies farmers for specific crop losses, excluding harm from herbicide and pesticides. Each producer made claims and statements to the RMA for crop insurance indemnities relating to harm to their peanut crop year 2000, which resulted in the RMA making payments to each grower between \$2,063 and \$96,087. The U.S. contended that each grower also received from Dow AgroSciences monies compensating each for the loss of the same peanut crop. The RMA alleged that not only did such settlements trigger each grower's obligation to repay to the RMA all indemnity payments and associated costs, but that the RMA-backed crop policies barred the growers from obtaining federal payment for any alleged herbicide damage to their peanut crops.

U.S. Attorney Roper praised the investigative efforts of the Office of Inspector General for the Department of Agriculture and the Risk Management Agency. The cases were handled by Assistant U.S. Attorney Sean R. McKenna.

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